

## **DRAFT**

**WATER/ABJ/HJL:jlj**

**CA-19**

### **PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

**WATER DIVISION  
Water Advisory Branch**

**RESOLUTION NO. W-4318  
January 9, 2002**

### **RESOLUTION**

**(RES. W-4318), ROGINA WATER COMPANY, INC., (RWC). ORDER  
AUTHORIZING AN OFFSET RATE INCREASE OF \$38,519 OR 9.83% IN  
ADDITIONAL REVENUE DUE TO INCREASE IN PURCHASED POWER  
COSTS.**

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### **SUMMARY**

By Advice Letter No. 40, filed on November 1, 2001, RWC seeks revision of its tariffs Schedule No. 1, General Metered Service, and Schedule No. 3M, Irrigation Service, to provide an increase in revenues of \$38,519 or 9.83%. This increase is a result of increased costs for purchased power since RWC's present rates became effective. The offset rate increase will not result in a rate of return greater than the last authorized for RWC.

### **BACKGROUND**

RWC, requests authority under Section VI of General Order 96-A and Section 454 of the Public Utilities Code to offset \$38,519 increase in purchased power costs. The purchased power increase became effective by Commission Decisions (D.) 01-03-082 and D.01-05-064, which authorized the Pacific Gas & Electric Company (PG&E) a surcharge in its rates.

RWC serves approximately 930 residential metered customers in Talmage and vicinity, a suburban area three miles east of the city of Ukiah, Mendocino County. The present rates of RWC became effective on June 18, 2001, pursuant to Advice Letter No. 39, which authorized the company a Consumer Price Index increase of \$11,857 or 3.4%. The last general rate increase for RWC was approved by Res. W-3853 dated June 26, 1994, which authorized an increase of \$25,131 or 9.6% for test year 1993. The Resolution authorized an 11.3% rate of return for RWC. For the fiscal year ended September 30, 2001, RWC reported a rate of return of 9.25%.

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### **DISCUSSION**

Effective January 4, 2001 and March 27, 2001, PG&E was allowed to surcharge its rates for purchased power by one cent per kilowatt-hour (kWh) and three cents per kWh, respectively, pursuant to D.01-01-018 and D.01-03-082.

Additionally, effective June 1, 2001, pursuant to D.01-05-064, PG&E was granted rate surcharges of \$0.06140 per kWh for summer consumption and \$0.02838 per kWh for winter consumption for rate schedules A-1 and A-1P. Surcharge rates of \$0.0907 per kWh during on-peak summer consumption, \$0.04131 per kWh during summer and winter partial-peak consumption and were allowed \$0.03131 per kWh during summer and winter off-peak consumption were allowed per Schedule E-19. These PG&E rate surcharges have resulted in a \$38,519 increase in purchased power costs for RWC.

The increases in PG&E's purchased power costs are directly related to water consumption and therefore shall be applied to quantity rates. In order to recover the higher costs, RWC, will increase its quantity charges by \$0.13/Ccf (One Ccf is equal to one-hundred cubic feet). The bill for an average residential customer using 26 Ccf of water per month with a 5/8 x 3/4-inch meter will increase from \$32.51 to \$35.94, or \$3.43 or 10.6%. The bill for a residential customer using 26 Ccf of water per month with a 1-inch meter or with a 1½-inch meter will increase an average \$3.43 per month or 8.1% and 4.8%, respectively. Likewise, the bill for an irrigation service customer using 26 Ccf of water per month with a 1-1/2-inch meter and a 2-inch meter will increase an average of \$3.43 per month or 8.5% and 6.8%, respectively.

Service is satisfactory. There are no Commission orders requiring system improvements nor are there any service problems requiring corrective action.

### **NOTICE AND PROTESTS**

Notice of the proposed rate increase was published in the Ukiah Daily Journal, a newspaper of general circulation, on October 21, 2001, as evidenced by proof of publication provided to the Water Division by the utility. There were no protests concerning the proposed offset increase.

### **FINDINGS**

The Commission finds, after investigation by the Water Advisory Branch, that the changes hereby authorized are justified and the resulting rates are just and reasonable.

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**IT IS ORDERED that:**

1. Rogina Water Company is authorized, five days after the effective date herein, to make effective revised Schedule 1, General Metered Service, and revised Schedule No. 3M, Irrigation Service, attached to Advice Letter 40, and to cancel the corresponding presently effective rate schedules.
2. Rogina Water Company is directed to keep maintaining a balancing account as required by Public Utilities Code Section 792.5.
3. This resolution is effective today.

I hereby certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on January 9, 2002; the following Commissioners approved it:

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WESLEY M. FRANKLIN  
Executive Director